

 <b>UNIVERSITY of DENVER</b> RESEARCH & SPONSORED PROGRAMS	<b>Office of Research and Sponsored Programs</b>	Version: 2.0
Subject: <b>Cost-Sharing</b>		Date: 01/01/2021
Approved by: Julie Cunningham, Director - Sponsored Research Administration	Approved by: Jerry Mauck, Executive Director – Research Administration	

## I. PURPOSE

To document expenses that are in support of a sponsored program (grant/contract) but not paid by the sponsor and are mandatory to meet the conditions of the award, in compliance with 2 CFR 200.306.

## II. DEFINITIONS

The terms “cost sharing”, “matching,” and “in-kind” refer to the portion of the total project costs not borne by the sponsor. The terms “cost sharing”, “matching,” and “in-kind” are often used interchangeably. Attention should be given to sponsor definitions of those terms which are outlined below.

- a. **Cost-Sharing:** The portion of project or program costs that are not borne by the sponsor. The term includes cash contributions, in-kind (non-cash) contributions, and matching funds.
- b. **Committed Cost Sharing:** Mandatory or voluntary cost sharing quantified in the proposal budget, budget justification, or noted in the award documents. It may be a requirement of the sponsor for proposal submission and to be eligible for the award, or it may be voluntarily proposed by the PI/University and accepted by the sponsor as a condition of the award.
- c. **Equipment Match:** The portion of the cost of an equipment purchase that the University must fund. This may be a requirement to be eligible for a grant, or it may be a condition of the award, in which case it becomes mandatory committed cost-sharing.
- d. **In-Kind:** Non-cash contributions offered by a third party, such as individuals at another organization who volunteer their time, supplies, equipment or facilities. 2 CFR 200.306 dictates the terms by which in-kind contributions are valued for the purpose of fulfilling cost share obligations.
- e. **Mandatory Committed Cost-Sharing:** This is a sponsor requirement as a condition for proposal submission.
- f. **Matching:** A percentage or dollar equivalency relative to sponsor budget. For example:
  - A 1:1 match would require \$50,000 of University cost sharing for a \$50,000 award received from a sponsor.
  - A 30% match would mean that the University would need to cost share \$30,000 on an agency budget of \$100,000. The agency would contribute \$70,000.

- g. **2 CFR 200:** Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- h. **Principal Investigator:** The DU employee (often a faculty member) who is responsible for the proper conduct of research or other activity described in a proposal for an award. Used interchangeably with Program Director.
- i. **Sponsored Programs:** Programs or projects that are funded by an external entity through an award (grant, contract, etc.) to the University. Sponsored programs include research, instruction, and other sponsored activities.
- j. **Voluntary Committed Cost Sharing:** Cost sharing specifically pledged on a voluntary basis in the proposal's budget/budget justification or award that becomes a binding requirement of the sponsored agreement. Upon receipt of an award where voluntary cost sharing was included in the proposal, the cost sharing becomes "committed" and an obligation that must be fulfilled under the award.
- k. **Voluntary Uncommitted Cost-Sharing (VUCS):** Costs that have not been promised and/or quantified to the sponsor, and therefore, not a condition of the award. This type of cost sharing is not tracked in the Banner system nor included as project-related efforts in the PI's effort certification.

### III. POLICY

Committed cost-shared expenses shall be documented within DU's financial system (Banner) by indicating the appropriate Activity Code for each expense transaction that is in support of a sponsored program. Cost-sharing on a federal award may not be paid by any other federal award (either direct or flow-through).

### IV. PROCEDURES

- a. When a proposal is prepared, the PI shall work with ORSP to identify cost-shared expenses.
- b. When an award is received that includes committed cost-sharing, ORSP shall set up an Activity Code in Banner system and shall mark the Grant with a cost-sharing requirement in the Banner system.
- c. When a cost-shared expense is entered into Banner, the Activity Code shall be included in the entry along with the fund, org, account, and program.
- d. The Office of Sponsored Programs shall notify PIs of active grants/contracts that require cost-sharing at the time of award setup.

### V. ROLES AND RESPONSIBILITIES

- a. **Principal Investigator** is responsible for assuring that all cost-shared expenses are identified and coded with the proper Activity Code.
- b. **Deans / Department Chairs** shall assure that departmental staff who are responsible for entering data into Banner are knowledgeable about the requirements for coding cost-shared expenses.
- c. **Office of Research and Sponsored Programs (ORSP)** shall code awards with proper cost-sharing requirement, create Activity Codes, and distribute reports for notification of cost-sharing requirement.

## **VI. REFERENCES AND AUTHORITY**

- Uniform Guidance 2 CFR§200.